



Term Sheet for the issue of Unsecured, Rated, Unlisted, Taxable, Redeemable, Non-Convertible Debentures (“NCDs”) of Tata Industries Limited (“TIL”)

Issuer	Tata Industries Limited (TIL)
Type of Instrument	Unsecured, Rated, Unlisted, Taxable, Redeemable, Non-Convertible Debentures (“NCDs”)
Nature of the Instrument	Unsecured and pari-passu with other unsecured NCDs/Debt
Mode of Issue	Private Placement
Eligible investors	Insurance companies, Foreign Portfolio Investors and any other investor authorized and regulatorily allowed to invest in non-convertible debentures
Listing	These NCDs will not be listed on any stock exchange
Rating of the instrument	AAA by CRISIL and AAA by CARE Ratings Limited
Issue Size	Rs. 500,00,00,000/- (Indian Rupees Five Hundred crores only)
Objects of the Issue and Details of the utilization of the proceeds	General corporate purposes in-line with the prevailing applicable FPI guidelines. <i>End use should not include Real Estate activity, purchase of land and any capital market transaction.</i>
Face Value	Rs.10,00,000/- per Debenture
Issue Price	At Par i.e. Rs.10,00,000/- per Debenture
Tenure/ Maturity	3 years from the Deemed Date of Allotment
Coupon Rate	7.15 % p.a.
Coupon Payment	Annual
Rating Covenant	Coupon shall be: (a) increased by 0.25% upon every notch rating downgrade of the NCDs by any rating agency below ‘AAA’ or its equivalent. (b) decrease by 0.25% upon every notch rating upgrade of the NCDs upto ‘AAA’ or its equivalent. The revised coupon will be applicable from the date of change in the credit rating. In case of multiple credit ratings for the NCDs, the lowest credit rating assigned to the NCDs will be considered.
Redemption Date	July 26, 2024
Redemption Price	At Par
Security	Unsecured
Accelerated Redemption	On the happening of any of the following events during the tenor of the NCD , and unless such events are cured within 30 days of occurrence, the Debenture Trustee



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	<p>acting on the instructions of majority of debenture holders (51% or more by value of NCDs then outstanding) shall have a right to recall all the amounts outstanding principal, accrued and unpaid coupon if any under the NCDs:</p> <ol style="list-style-type: none"> 1. Downgrade in credit rating of the NCDs by two or more notches by any of the rating agency. In case the instrument is rated by multiple agencies, the lowest rating will be considered for this purpose 2. The shareholding of Tata Group falling below 51% 3. Tata Group losing management control of Issuer 4. The issuer dropping the word “Tata” from its name 5. Change in constitute from “Limited” to “Private Limited” <p>On exercise of Accelerated Redemption by the Debenture Trustee, the Issuer shall repay all the amounts due under the NCDs within 7 days from the date of notice of Accelerated Redemption.</p> <p>It is clarified that the Debenture Trustee must obtain instructions from debenture holders holding at least 51% or more by value of NCDs then outstanding, to exercise the right to redeem the NCDs on the happening of any of the aforesaid events.</p>
Default Interest Rate	2.00% p.a.in case of a payment related default. The default interest will be applicable for the tenor of default on the defaulted amount.
Events of Default	<p>Each of the events or circumstances set out below shall constitute a default:</p> <ol style="list-style-type: none"> 1. Non payment of any amount payable pursuant to any Transaction Document to which Company is a party; 2. Breach of any term or condition of the Transaction Documents or the any representations or warranties made by the Issuer are found to be untrue or misleading when made 3. Winding up (whether voluntarily or compulsorily), restructuring, compromise and dissolution, or insolvency/ bankruptcy of the Company under the Bankruptcy Code, including initiation of any proceedings for winding up for attachment and not stayed/vacated; Non-compliance arising out of Judgments or creditors’ process or attachment, sequestration, distress, nationalization or execution affects any asset of the Company; 4. Failure to comply with or pay any sum due from it under any uncontested final judgement or any final order made or given by a court of competent jurisdiction within the time specified under such order or a period of 30 (thirty) calendar days, whichever is earlier, 5. If any Transaction Document or obligation of Issuer or any other obligor thereunder becomes illegal, invalid or non-binding or becomes void or unenforceable or is repudiated or rescinded 6. Repudiation and rescission of material documents/agreements with respect this Debenture;



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	<ol style="list-style-type: none"> 7. Revocation or termination of material contracts, Licenses which results in a Material Adverse Effect or 8. Litigation and final judgements or court orders having Material Adverse Effect; 9. A receiver or a liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is not stayed, quashed or dismissed; 10. Expropriation that results in Material Adverse Effect; 11. If the Issuer abandons material part of its business which has a Material Adverse Effect on the Issuer 12. Material Adverse Effect; 13. Withdrawal or suspension of Credit Rating; 14. Cross Default: Event of default triggered by any lender/investor on account of non-payment of principal, interest or other dues thereon in relation to any financial indebtedness i.e. loan/debt availed by Issuer; 15. Enforcement by other Lenders; 16. Failure to comply with Conditions Subsequent, subject to reasonable cure period; 17. Sanctions and Anti-Corruption Laws; 18. Willful Defaulter;
Redemption Upon an Event of Default	<p>In case of occurrence of any Default (other than a Default due to non-payment of any amount due including but not limited to principal, interest, etc.), the Company shall intimate the Debenture Trustee within 7 (seven) days of becoming aware of such Default (“Default Notice”). If the Company fails to remedy the Default within 30 days of the Default Notice, the Debenture Trustee acting on instructions of debenture holders holding atleast 51% or more by value of NCDs then outstanding, shall be entitled to declare that all amounts under the NCDs would be due and payable immediately.</p> <p>In case of occurrence of a Default due to non-payment of any amount due including but not limited to principal, interest, etc., the Debenture Trustee acting on instructions of debenture holders holding atleast 51% or more by value of NCDs then outstanding, shall be entitled to declare that all amounts under the NCDs would be due and payable immediately.</p>
Day Count Basis	Actual / Actual
Trading and Issuance mode of the instrument	In Dematerialized form
Settlement mode of the instrument	Payment of interest and principal will be made by way of Cheque(s)/interest warrant (s)/demand draft(s)/ RTGS/ online banking.



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Depository	<ul style="list-style-type: none"> National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) Admission of the NCDs with NSDL to be done prior to Pay-in Date Admission of NCDs with CDSL to be done within 30 days from the Deemed Date of Allotment
Record date	15 days prior to coupon payment / redemption date.
Issue Opening Date	July 26, 2021
Issue Closing Date	July 26, 2021
Pay-in Date	July 26, 2021
Date of Allotment / Deemed Date of Allotment	July 26, 2021
Transaction documents	<ol style="list-style-type: none"> Offer Letter Debenture Trust Deed, Debenture Trustee Agreement, and Any other document that may be designated by the debenture trustee / transaction counsel as a Transaction Document.
Debenture Trustee	Axis Trustee Services Limited
Registrar	TSR Darashaw Consultants Private Limited
External Legal Counsel	Juris Corp
Conditions precedent to disbursement	<p>Following are the conditions precedent applicable to the NCDs including without limitation any other conditions precedent set out in the Debenture Trust Deed:</p> <ul style="list-style-type: none"> Execution of Offer Letter, Debenture Trust Deed and Debenture Trustee Agreement; Rating letter(s) from CRISIL and CARE; Letter from the Axis Trustee Services Limited (Debenture Trustee) conveying their consent to act as Debenture Trustees for the Debenture Holder(s) Copy of the consent letter/acceptance letter from TSR Darashaw Consultants Private Limited, the registrar to the Issue. Certified true copy of the memorandum and articles of association of the Company; Certified true copy of the resolutions passed by the Board giving all necessary authorizations for the proposed issuance Certified true copy of shareholder's resolution under section 180(1)(c) Company Secretary confirming that the borrowings of the company including the proposed borrowing is within the limit approved u/s 180(1)(c)



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	<ul style="list-style-type: none"> • Copy of Tripartite agreement of the Issuer with NSDL and the registrar to the Issue • Any other document that may be designated by the transaction counsel as a Transaction Document.
Conditions subsequent to disbursement	<ul style="list-style-type: none"> • Filing of the relevant documents, inter alia, the Offer Letter, return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. • Credit of demat account(s) of the allottee/(s) by number of Debenture allotted within 2 (two) days from the Deemed Date of Allotment. • Submission of Certified true copy of the Board Resolution / any other applicable resolution as authorized by the Board for allotment of NCDs. • Within 30 days of the Deemed Date of Allotment, copy of Tripartite agreement of the Issuer with CDSL and the registrar to the Issue • Execution of any other documents as customary for transaction of a similar nature and size.
Taxation	<p>Payments of interest by the Company shall be subject to deduction of tax at source at the tax rates prevailing from time to time under the provisions of the Income Tax Act, 1961, (or any other statutory modification or re-enactment thereof). Tax exemption certificate / any document for lower rate of tax deduction at source, if any, must be lodged at the office of the Issuer, at least 30 (thirty) days before the relevant Interest Payment Date or the Redemption Date, as the case may be. A tax deduction certificate will be issued by the Company.</p>
Business Day Convention	<p>All days, excluding Saturday, Sundays or a holiday of commercial banks or a public holiday in Mumbai, except with reference to Issue Period and Record Date, where business day shall mean all days, excluding Saturdays, Sundays and public holiday in India.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the Redemption Date, falls on a day that is not a Business Day, the payment shall be made by the Company on the immediately succeeding Business Day, which becomes the Coupon Payment Date for that Coupon. However, the future Coupon Payment Date(s) would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent Coupon Payment Date(s) would not be changed merely because the payment date in respect of one particular Coupon payment has been postponed because of it having fallen on a non-Business Day.</p> <p>If the Redemption Date falls on a day which is not a business day, payment of principal amount shall be on the following business day of the Redemption Date along with Coupon accrued on the Debentures until the date of such new Redemption Date.</p>
Material Adverse Effect	<p>“Material Adverse Effect” means a material adverse effect on or material adverse change in:</p>





	<ul style="list-style-type: none"> the ability of the Borrower to perform and comply with its obligations under any Transaction Document; or the validity, legality or enforceability of, or the rights or remedies of the Lender under, any Transaction Document.
Governing law and jurisdictions	The NCDs and the Transaction Documents shall be governed by Indian law. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Court at Mumbai, Maharashtra.
Costs and Expenses	All costs, charges and expenses in connection with or relating to the Issue (including but not limited to costs of investigation of title, reasonable legal fees, professional charges, and stamp duty) shall be on account of the Company.
Early Redemption Fees	<p>Where the Debentures (or any part thereof) are early redeemed prior to the Final Redemption Date for any reason whatsoever, including without limitation, pursuant to an Event of Default or Acceleration Event in respect of the Company, in addition to any Redemption Amount and accrued or unpaid Coupon that may be payable by the Company to the Debenture Holder pursuant to the terms and conditions of the Debentures, the Company shall also pay the Early Redemption Fees to the Debenture Holder on the relevant Early Redemption Date.</p> <p>“Early Redemption Fees” means an amount determined by the Debenture Holder in its sole discretion acting in good faith and in a commercially reasonable manner and notified to the Company, equal to the sum of all direct and actual costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the Debenture Holder in connection with the early redemption of the Debentures (or any part thereof) and the related termination, settlement or reestablishment of any funding arrangements and/or hedging arrangements (which hedge the interest rate risks, exchange risks and/or other risks of the Debenture Holder) which the Debenture Holder may enter into in respect of, the purchase of the Debentures.</p>



Tata Industries Limited

S. Sriram
Chief Financial Officer &
Company Secretary

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